

Exhibit K

CONFIDENTIAL PURSUANT TO PROTECTIVE ORDER

1 UNITED STATES DISTRICT COURT
2 SOUTHERN DISTRICT OF NEW YORK
3

4 SECURITIES AND EXCHANGE)
COMMISSION,)
5)
Plaintiff,)
6) 19 Civ. 9439 (PKC)
- against -)
7)
TELEGRAM GROUP INC. and)
8 TON ISSUER INC.,)
9 Defendants.)
_____)
10

11 **CONFIDENTIAL PURSUANT TO PROTECTIVE ORDER**
12

13 Videotaped deposition of PAVEL DUROV (as
14 30(b)(6) corporate representative of Defendants and
15 also in his personal capacity), Volume 1, taken on
16 behalf of Plaintiff at Hadeef & Partners, LLC, Emaar
17 Square, Building 3, Level 5, Downtown Dubai, Dubai,
18 United Arab Emirates, beginning at 11:21 a.m. and
19 ending at 9:54 p.m., on Tuesday, January 7, 2020,
20 before LEAH WILLERSDORF, Member of the British
21 Institute of Verbatim Reporters, Accredited Verbatim
22 Reporter, Qualified Realtime Reporter - Level 2,
23 International Participating Member NCRA.
24

25 JOB No. 200107LWI

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15:12:36 1 regulations?

15:12:36 2 MR. DRYLEWSKI: Let's just stop for one
15:12:38 3 second. Can we go off the record --

15:12:40 4 MR. TENREIRO: Sure.

15:12:40 5 MR. DRYLEWSKI: -- and I can talk to you?

15:12:40 6 THE VIDEOGRAPHER: We are going off the
15:12:42 7 record. The time is 3:11.

15:12:45 8 (Off the record.)

15:21:45 9 THE VIDEOGRAPHER: We are back on record.
15:21:46 10 The time is 3:21.

15:21:54 11 BY MR. TENREIRO:

15:21:54 12 Q. Okay. Before we went off the record I had
15:21:56 13 asked you, when you say you wanted to do things by the
15:21:58 14 book, one of the things that you had in your mind was
15:22:02 15 complying with potential securities regulations or
15:22:05 16 laws that might apply to the offering that you were
15:22:08 17 going to conduct?

15:22:13 18 A. Yes. I believe this was part of the
15:22:16 19 reason why we engaged with our counsel, and our goal
15:22:29 20 was, and is, to be compliant in all applicable
15:22:33 21 jurisdictions. You know, it's -- obviously the United
15:22:38 22 States is one of them.

15:22:41 23 Q. And have you heard of something called the
15:22:47 24 DAO Report? D-A-O.

15:22:53 25 A. I think I had heard about it, yes.

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15:22:55 1 Q. Do you recall when you first heard of it?

15:22:56 2 MR. DRYLEWSKI: And I'd like you to think
15:22:59 3 about this answer. If it comes from a conversation
15:23:03 4 with an attorney, I'd ask you to exclude that from
15:23:07 5 your answer.

15:23:07 6 BY MR. TENREIRO:

15:23:08 7 Q. Well, can I clarify, I'm not -- when
15:23:11 8 I said "when," I mean just can you give me the month
15:23:14 9 or year.

15:23:14 10 MR. DRYLEWSKI: Yeah. I'm just --

15:23:15 11 MR. TENREIRO: Is that okay?

15:23:16 12 MR. DRYLEWSKI: That is fine.

15:23:16 13 MR. TENREIRO: Okay.

15:23:17 14 MR. DRYLEWSKI: And if you can answer that
15:23:18 15 question without revealing --

15:23:19 16 MR. TENREIRO: Right.

15:23:20 17 MR. DRYLEWSKI: -- who told you --

15:23:23 18 MR. TENREIRO: Right.

15:23:23 19 MR. DRYLEWSKI: -- but I just wanted
15:23:24 20 to pre-empt that in case you -- don't reveal any
15:23:27 21 attorney/client communications to the extent any took
15:23:29 22 place.

15:23:29 23 THE WITNESS: Mmm-hmm.

15:23:30 24 MR. DRYLEWSKI: Understood?

15:23:31 25 THE WITNESS: Okay.

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15:23:41 1 I think I first may have heard about it
15:23:43 2 somewhere in 2017.

15:23:44 3 BY MR. TENREIRO:

15:23:44 4 Q. Okay. And just for the record, what do
15:23:46 5 you understand -- I'm not asking you for legal
15:23:48 6 conclusions or anything like that, but if you had to
15:23:51 7 explain it in your own words, what do you understand
15:23:53 8 the DAO Report to be?

15:23:55 9 MR. DRYLEWSKI: Objection to form.

15:24:32 10 THE WITNESS: My understanding at the time
15:24:34 11 was that this DAO Report was related to a certain
15:24:43 12 token or blockchain-related offering that may have not
15:24:54 13 been done in accordance to all applicable laws and
15:24:59 14 regulations in the United States.

15:25:02 15 BY MR. TENREIRO:

15:25:03 16 Q. And -- okay.

15:25:06 17 Now, Mr. Durov, we were discussing the
15:25:09 18 structuring of the offering -- of the private
15:25:10 19 placement, the pre-sale and the Stage A. Do you
15:25:13 20 recall discussing that with me a few moments ago?

15:25:17 21 A. Pre-sale and Stage A?

15:25:19 22 Q. Right.

15:25:20 23 A. Yeah, we discussed that.

15:25:22 24 Q. Okay. Was there a point in time when you
15:25:24 25 were considering raising funds that you considered

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15:25:29 1 a different structure? And by this I just mean
15:25:32 2 Telegram. Was there a point in time in which Telegram
15:25:35 3 considered some other structure rather than what
15:25:37 4 actually happened, which was pre-sale plus Stage A?

15:26:02 5 A. Yes. I think at some early stages we
15:26:07 6 thought that a public offering, at least in certain
15:26:25 7 jurisdictions, could also be part of the process.

15:26:34 8 Q. Public offering of what?

15:26:55 9 A. This is a very good question that, after
15:27:06 10 being carefully studied and explored by us, eventually
15:27:09 11 led us to not engage in any public offering of that
15:27:17 12 kind, because we believed, at least as far as the
15:27:33 13 United States jurisdiction is concerned, that a public
15:27:41 14 offering of a right to receive Grams in the future
15:27:47 15 could be treated as an unregistered security.
15:28:13 16 And while there were several players in the market at
15:28:27 17 that time that were credible, or at least projected
15:28:31 18 a very credible image that have engaged in these kind
15:28:40 19 of activities, at least outside of the United States,
15:28:50 20 it was not fully clear how this -- how such an
15:29:01 21 offering could be implemented practically across all
15:29:07 22 jurisdictions in a way that would avoid us to decrease
15:29:18 23 complexity and unnecessary risks.

15:29:28 24 This is why we eventually gave up the idea
15:29:32 25 to conduct a public offering of interest in Grams.

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15:29:44 1 Q. When you were considering the public
15:29:47 2 offering, I think you mentioned of a right to receive
15:29:51 3 Grams in the future; is that correct?

15:29:55 4 A. I believe that's what I said, yes.

15:29:57 5 Q. Okay. So can you explain what you meant
15:29:59 6 by that, when you -- so my question is, when you were
15:30:03 7 considering the public offering, contemplating
15:30:06 8 entering into purchase agreements such as the one
15:30:10 9 we just saw in Exhibit 41 -- sorry, it wasn't 41. 43.
15:30:24 10 Yeah, that's that one.

15:30:25 11 A. Okay.

15:30:25 12 Q. Sorry, let me start again.

15:30:27 13 When you were considering the public
15:30:29 14 option, was Telegram considering entering into
15:30:31 15 purchase agreements with members of the public such as
15:30:33 16 the one in Exhibit 43?

15:30:40 17 A. This was a very early stage and we --
15:30:47 18 I don't believe we thought it through down to,
15:31:00 19 you know, the tiniest detail. We knew, based on what
15:31:16 20 we saw at the market at that time, that there were
15:31:22 21 certain companies that seemed to be credible and
15:31:29 22 seemed to have attracted interest from institutional
15:31:36 23 investors that were either contemplating a public
15:31:40 24 offering or having done a public offering of that
15:31:49 25 kind. At first we thought that might be a path

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17:43:22 1 to contact anyone at the SEC?

17:43:44 2 MR. DRYLEWSKI: Objection; form.

17:43:52 3 THE WITNESS: You mean before which date?

17:43:55 4 BY MR. TENREIRO:

17:43:56 5 Q. Before the date of -- when you began the
17:43:59 6 private placement.

17:44:13 7 A. By beginning the private placement, do you
17:44:15 8 mean our first interactions with potential purchasers?

17:44:18 9 Q. Yes.

17:44:41 10 A. I think at that period in time we were
17:44:46 11 still in the process of finalizing the contours of the
17:44:50 12 private placement and we were doing a lot of research
17:45:01 13 and exploratory work, so we didn't -- so I don't
17:45:08 14 believe we reached out to the Securities and Exchange
17:45:21 15 Commission at that point, as we thought it was too
17:45:27 16 early due to the fact that we didn't know specifically
17:45:37 17 what we would be doing.

17:45:41 18 Q. Okay. And how about before you signed the
17:45:46 19 first purchase agreement?

17:45:48 20 I believe you, Mr. Durov, kind of signed
17:45:53 21 all the purchase agreements; is that correct?

17:45:55 22 A. Yes.

17:45:56 23 Q. Okay. So before you, Mr. Durov, signed
17:45:58 24 the first purchase agreement, did you or anyone else
17:46:00 25 at Telegram reach out to the SEC with respect to the

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17:46:37 1 private placement?

17:46:37 2 A. I don't think we reached out to the SEC
17:46:40 3 before I signed the first purchase agreement. The way
17:46:44 4 we designed it is, the private placement, was that we
17:46:59 5 reserved a lot of flexibility to how the project and
17:47:10 6 its parts could look like, and this flexibility is
17:47:17 7 reflected in the purchase agreements and its
17:47:20 8 appendices.

17:47:36 9 That gave us a comfort of knowing that
17:47:44 10 we would be able to change certain, if not all,
17:47:49 11 aspects of what we're trying to build based on the
17:47:59 12 feedback that we could receive from the regulators,
17:48:04 13 including the SEC, in the following months.

17:48:08 14 Q. So is it fair to say the answer to my
17:48:10 15 question is no, you do not?

17:48:13 16 A. No; that was the first sentence,
17:48:17 17 I believe.

17:48:17 18 Q. Okay. Now, in terms of the remainder of
17:48:21 19 your answer and the flexibility, is it fair to say
17:48:24 20 that you today still retain that flexibility to
17:48:46 21 change ...

17:48:48 22 Right. Is it fair to say that -- so you
17:48:48 23 said the way you designed it was that you had
17:48:52 24 flexibility to change some features of the project.
17:49:03 25 Is it fair to say that you, to this day, retain that

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REPORTER CERTIFICATE


I, the undersigned, an Accredited Verbatim Reporter in the United Kingdom, do hereby certify:

That the foregoing proceedings were taken before me at the time and place herein set forth; that any witnesses in the foregoing proceedings, prior to testifying, were placed under oath; that a verbatim record of the proceedings was made by me using machine shorthand which was thereafter transcribed under my direction; further, that the foregoing is an accurate transcription thereof.

I further certify that I am neither financially interested in the action nor a relative or employee of any attorney or any of the parties.

IN WITNESS WHEREOF, I have this date subscribed my name.

Date: January 9, 2020


LEAH M. WILLERSDORF
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